



First Capital

PROVISIONAL FINANCIAL STATEMENTS

Six Months ended
30th September 2021

FIRST CAPITAL MONEY MARKET FUND

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REPORT OF THE MANAGER

We have pleasure in presenting the Unaudited Interim Financial Statements of First Capital Money Market Fund (the Fund) for the six months ended 30th September 2021.

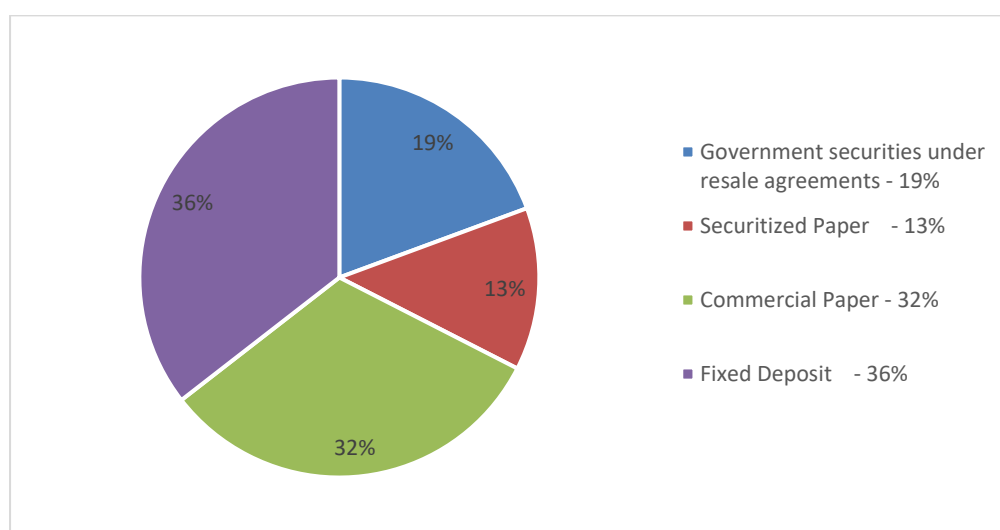
Fund Performance

First Capital Money Market Fund reported a Profit after Tax of Rs. 745Mn for the six months ended 30th September 2021 compared to Rs. 460Mn in the corresponding period of the previous year.

The Fund reported an Annualised Return of 6.89% for the six months ended 30th September 2021 compared to the Average Weighted Deposit Rate of 4.75% (Source: The Central Bank of Sri Lanka - Weekly Economic Indicators; <https://www.cbsl.gov.lk/en/statistics/economic-indicators/weekly-indicators>). The Annualised Return reported in the corresponding period of the previous year (2020/21) was 12.29% compared to the Average Weighted Deposit Rate of 6.44% (Source: The Central Bank of Sri Lanka - Weekly Economic Indicators; <https://www.cbsl.gov.lk/en/statistics/economic-indicators/weekly-indicators>). The Funds Under Management as at 30th September 2021 was Rs. 21.3Bn compared to Rs. 21.5Bn at the beginning of the year (The Fund's yield is variable and subject to change. Past performance is not an indicator of future performance).

Asset Allocation as at 30th September 2021

The Asset Allocation of the Fund as at 30th September 2021 is as follows.



Appreciations

We take this opportunity to thank our valued unitholders for the trust and confidence placed in us. We also place on record our appreciation for the support extended by the Securities and Exchange Commission of Sri Lanka and our Trustee, Bank of Ceylon.

We express our sincere thanks to the Board of Directors, Management Team and Staff of the First Capital Asset Management Limited for their contribution towards our performance.

FIRST CAPITAL MONEY MARKET FUND
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For Six Months ended 30th September	2021	2020
	Unaudited	Unaudited
	Rs.	Rs.
Income	864,645,234	485,770,909
Direct expenses	(7,713,647)	(360,360)
Net trading income	856,931,587	485,410,549
Unrealised gain/ (loss) on fair valuation of financial assets recognised through profit or loss - measured at fair value	(40,334,770)	8,602,121
(Provision)/ Reversal for impairment of financial assets at amortised cost	3,063,192	(7,114,692)
	819,660,009	486,897,978
Administration and other operating expenses	(74,326,322)	(26,853,923)
Profit before taxation	745,333,687	460,044,055
Income tax expenses	-	-
Profit for the period	745,333,687	460,044,055
Increase in net assets attributable to unit holders	745,333,687	460,044,055

Figures in brackets indicate deductions.
The notes form an integral part of these financial statements.

**FIRST CAPITAL MONEY MARKET FUND
STATEMENT OF FINANCIAL POSITION**

As at	30.09.2021 Unaudited Rs.	31.03.2021 Audited Rs.
Assets		
Cash at banks	10,925,838	18,775,444
Financial assets recognised through profit or loss - measured at fair value	9,586,571,169	9,358,051,401
Financial assets -at amortised cost	11,656,753,711	12,091,948,498
Other receivables	68,386,076	52,094,775
Total assets	21,322,636,794	21,520,870,118
Unit holders' funds and liabilities		
Liabilities		
Accruals and other payable	29,483,085	42,648,665
Total liabilities	29,483,085	42,648,665
Unit holders' funds		
Net assets attributable to unit holders	21,293,153,709	21,478,221,453
	21,293,153,709	21,478,221,453
Total unit holders' funds and liabilities	21,322,636,794	21,520,870,118
Net asset per unit	1,997.37	1,931.73

The notes form an integral part of these financial statements.

The Managing Company of First Capital Money Market Fund is responsible for the preparation and presentation of these Financial Statements in accordance with the Sri Lanka Accounting Standards.

Approved by the Managing Company on 20th December 2021.



Mangala Jayashantha
Chief Financial Officer
First Capital Asset Management Limited
Fund Management Company



Dilshan Wirasekara
Director / Chief Executive Officer
First Capital Asset Management Limited
Fund Management Company



Dinesh Schaffter
Managing Director
First Capital Asset Management Limited
Fund Management Company

**FIRST CAPITAL MONEY MARKET FUND
STATEMENT OF CHANGES IN UNIT HOLDERS' FUNDS**

For Six Months ended 30th September 2021	Unit holders' Capital Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 1st April 2020 (Audited)	5,639,972,956	1,364,299,467	7,004,272,423
Capital infused during the period	12,343,801,930	-	12,343,801,930
Capital withdrawals made during the period	(7,984,308,184)	-	(7,984,308,184)
Increase in net assets attributable to unit holders	-	460,044,055	460,044,055
Balance as at 30th September 2020 (Unaudited)	9,999,466,702	1,824,343,522	11,823,810,224
Balance as at 1st April 2021 (Audited)	18,990,543,536	2,487,677,917	21,478,221,453
Capital infused during the period	15,950,808,392	-	15,950,808,392
Capital withdrawals made during the period	(16,881,209,823)	-	(16,881,209,823)
Increase in net assets attributable to unit holders	-	745,333,687	745,333,687
Balance as at 30th September 2021 (Unaudited)	18,060,142,105	3,233,011,604	21,293,153,709

Figures in brackets indicate deduction
The notes form an integral part of these financial statements.

**FIRST CAPITAL MONEY MARKET FUND
STATEMENT OF CASH FLOWS**

For Six Months ended 30 th September	2021 Unaudited	2020 Unaudited
	Rs.	Rs.
Cash flows from/(used in) operating activities		
Profit before taxation	745,333,687	460,044,055
Adjustment for :		
Unrealised (gain)/ loss on fair valuation of financial assets recognised through profit or loss - measured at fair value	40,334,770	(8,602,121)
Provision/ (Reversal) for impairment of financial assets at amortised cost	(3,063,192)	7,114,692
Operating profit before working capital changes	<u>782,605,265</u>	<u>458,556,626</u>
Increase in financial assets recognised through profit or loss - measured at fair value	(268,854,538)	(3,174,474,234)
(Increase)/ decrease in financial investments - at amortised cost	438,257,978	(2,059,514,549)
(Increase)/ decrease in other receivables	(16,291,301)	139,392,504
Increase/ (decrease) in accruals and other payables	(13,165,579)	1,257,795
Decrease in repo borrowings on repurchase agreement	-	(125,141,305)
Cash flow generated from/ (used in) operations	<u>922,551,825</u>	<u>(4,759,923,163)</u>
Net cash flows from/ (used in) operating activities	<u>922,551,825</u>	<u>(4,759,923,163)</u>
Net cash flows from/(used in) investing activities	<u>-</u>	<u>-</u>
Cash flows from/ (used in) financing activities		
Capital infused during the period	15,950,808,392	12,343,801,930
Capital redeemed during the period	(16,881,209,823)	(7,984,308,184)
Net cash flows from/ (used in) financing activities	<u>(930,401,431)</u>	<u>4,359,493,746</u>
Net decrease in cash and cash equivalents	<u>(7,849,606)</u>	<u>(400,429,417)</u>
Cash and cash equivalents at the beginning of the period	18,775,444	475,248,970
Cash and cash equivalents at the end of the period	<u>10,925,838</u>	<u>74,819,553</u>

Figures in brackets indicate deductions.

The notes form an integral part of these financial statements.

**FIRST CAPITAL MONEY MARKET FUND
NOTES TO THE FINANCIAL STATEMENTS**

1. The number of Units represented by unitholders' funds as at 30th September 2021 is 10,660,597
2. The above figures are subject to audit. The same accounting policies as in the Audited Financial Statements for the year ended 31st March 2021 have been followed in the preparation of the above financial statements.
3. There have been no material commitment and contingent liabilities as at the reporting date which require disclosures in the financial statements (No commitment and contingent liabilities as at 31st March 2021).
4. There have been no material events after the reporting period which require adjustments/ disclosures in these financial statements.

FIRST CAPITAL MONEY MARKET FUND
INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30TH SEPTEMBER 2021
NOTES TO THE FINANCIAL STATEMENTS

5 Financial instruments- Fair Value Measurement

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements in accordance with SLFRS 13.

Level - 1

Financial instruments that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level - 2

Financial instruments that are measured at fair value on a recurring basis. As market quotes generally are not readily available or accessible for these securities, their fair value measures are determined using relevant information generated by market transactions involving comparable securities.

Level - 3

Financial Instruments that are not supported by observable market prices information.

Due to the nature of the short term maturity, Carrying value of the financial asset at amortised cost are approximated to their fair value.

5.1 Fair values versus the Carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Statement of Financial Position are as follows;

	As at 30.09.2021		As at 31.03.2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	Rs.	Rs.	Rs.	Rs.
Financial assets measured at fair value				
Financial assets recognised through profit or loss - measured at fair value	9,586,571,169	9,586,571,169	9,358,051,401	9,358,051,401
	9,586,571,169	9,586,571,169	9,358,051,401	9,358,051,401
Financial assets not measured at fair value				
Cash at banks	10,925,838	10,925,838	18,775,444	18,775,444
Financial assets - at amortised cost	11,656,753,711	11,656,753,711	12,091,948,498	12,091,948,498
Other receivables	68,386,076	68,386,076	52,094,775	52,094,775
	11,736,065,625	11,736,065,625	12,162,818,717	12,162,818,717
Total financial assets	21,322,636,794	21,322,636,794	21,520,870,118	21,520,870,118
Financial liabilities not measured at fair value				
Creditors and accruals	29,483,085	29,483,085	42,648,665	42,648,665
Total financial liabilities	29,483,085	29,483,085	42,648,665	42,648,665

FIRST CAPITAL MONEY MARKET FUND

INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30TH SEPTEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS

5.3 Measurement of fair values

5.3 (a) Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation Technique	Significant Unobservable Inputs
Investment in commercial papers	The valuation model is based on Yield Curve of the Government Securities. Yields relating to Government Securities based on the maturities of the respective commercial paper is interpolated in the valuation considering the initial risk premiums (at the time of issue) of the investee companies are constant as at the reporting date.	Risk premium of the investee companies (3.28% - 4.49%)
Investment in Securitized papers	The valuation model is based on Yield Curve of the Government Securities. Yields relating to Government Securities based on the maturities of the respective Securitized paper is interpolated in the valuation considering the initial risk premiums (at the time of issue) of the investee companies are constant as at the reporting date.	Risk premium of the investee companies (2.73% - 6.69%)

FIRST CAPITAL MONEY MARKET FUND
INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30TH SEPTEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS

5.4 Financial instruments - Accounting classifications

As at 30th September 2021

	Financial assets - FVTPL	Financial assets/ liabilities at amortised cost	Total carrying amount	Fair value
	Rs.	Rs.	Rs.	Rs.
Financial assets measured at fair value				
Financial assets - FVTPL	9,586,571,169	-	9,586,571,169	9,586,571,169
	9,586,571,169	-	9,586,571,169	9,586,571,169
Financial assets not measured at fair value				
Cash at banks	-	10,925,838	10,925,838	10,925,838
Financial assets - at amortised cost	-	11,656,753,711	11,656,753,711	11,656,753,711
Other receivables	-	68,386,076	68,386,076	68,386,076
	-	11,736,065,625	11,736,065,625	11,736,065,625
Total financial assets	9,586,571,169	11,736,065,625	21,322,636,794	21,322,636,794
Financial liabilities not measured at fair value				
Accruals and other payable	-	29,483,085	29,483,085	29,483,085
Total Financial Liabilities	-	29,483,085	29,483,085	29,483,085

As at 31st March 2021

	Financial assets - FVTPL	Financial assets/ liabilities at amortised cost	Total carrying amount	Fair value
Financial assets measured at fair value				
Financial assets - FVTPL	9,358,051,401	-	9,358,051,401	9,358,051,401
	9,358,051,401	-	9,358,051,401	9,358,051,401
Financial assets not measured at fair value				
Cash at banks	-	18,775,444	18,775,444	18,775,444
Financial assets - at amortised cost	-	12,091,948,498	12,091,948,498	12,091,948,498
Other receivables	-	52,094,775	52,094,775	52,094,775
	-	12,162,818,717	12,162,818,717	12,162,818,717
Total financial assets	9,358,051,401	12,162,818,717	21,520,870,118	21,520,870,118
Financial liabilities not measured at fair value				
Accruals and other payable	-	42,648,665	42,648,665	42,648,665
Total Financial Liabilities	-	42,648,665	42,648,665	42,648,665

FIRST CAPITAL MONEY MARKET FUND**RECONCILIATION FOR THE NET ASSET VALUE REPORTED AS AT 30TH SEPTEMBER 2021**

	Rs.
Net Asset Value of the Fund as per Monthly Return	21,338,162,919
Adjustment on provision for financial asset - at amortised cost as per SLFRS 9	(2,813,314)
Adjustment on fair valuation of financial asset - at fair value through profit or loss	(42,195,896)
Net Asset Value of the Fund as per Unaudited Financial Statements	21,293,153,709